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Housing Authority - County of Los Angeles

July 17, 2008

To: Each Supervisor

From: William K. Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between June 14, 2008 and July 16, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- New HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Socialserve.com, Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections

Current data is not available due to technical problems with HUD's data reporting system, Public & Indian Information Center (PIC), which is used to obtain SEMAP performance status. However, previously available information indicates our lease-up rate is 97%, representing a total of 20,130 assisted families throughout the County; a 0% delinquency rate for our annual re-examinations; and a 2% delinquency rate for our inspections for fiscal year ending June 30, 2008. These percentages are based on activity recorded on the PIC system of completed work submitted by the Housing Authority and not the timely completion of this work. Future reports to you will include the status of timely completed work. We are in the process of reevaluating the report to ensure that it meets the needs of the Board and fulfills the intent of the initial Board order.

Each Supervisor
July 17, 2008
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Corrective Action Plan

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As had been previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations

As previously reported, we submitted our formal response to the HUD OIG audit on March 22. We received a response from local HUD Director, K.J. Brockington on June 16, 2008. Ms. Brockington did not address the \$3.6 million reimbursement, the future withholding of administrative payments, and personnel directives in her response. I will be submitting to the Board a comprehensive review of her letter in the immediate future. In the interim, I have asked Gregg Fortner, our Housing Authority consulting Assistant Executive Director, to meet with Milan Ozdinec, Deputy Assistant Secretary for Public Housing and Voucher Programs, on July 18 to initiate discussion on how to bring successful resolution to these issues.

HUD OIG Financial Audit

As previously reported, HUD has recommended an audit of our financial systems. This is a new audit to be conducted by OIG. An entrance conference was held with OIG personnel on July 10, 2008 to review the scope of work. The objective is to determine whether Section 8 funds were spent in accordance with HUD rules and regulations. The initial work, to be conducted over a 60-day period, will consist of surveying our financial records. If any discrepancies are noted, a recommendation may be made for a comprehensive audit.

HUD's On-Site Confirmatory Review for FY 2007

HUD's onsite confirmatory review of our SEMAP certification for fiscal year ending 06-07 took place the week of June 16, 2008. The review team will return the week of July 28, to complete the review. However, we anticipate receiving a preliminary report shortly on the work that has been reviewed thus far which will likely result in a reduction of SEMAP points for specific indicators, that will likely result in a Troubled status rating. However, it is important to note that we have completed fiscal year 07-08 and believe our SEMAP score has improved enough to achieve a Standard status rating. HUD has not yet scheduled the onsite confirmatory review for FY 07-08.

YARDI Status

Implementation was completed on July 1, 2008. An independent review of the conversion to the new system and related processes is taking place at this time. I will report the outcome on my next report to you.

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July 17, 2008
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Socialserve.com, Los Angeles Housing Resource Center

For a 28-day period between June 13 and July 11, 2008, Socialserve.com averaged 5,343 total listings (an 8% increase), 3,610 participating landlords (a 7% Increase), and 127,798 housing searches (a 4% increase).

Call Center

Our Call Center is receiving an average of 5,044 calls per week (a 3% increase over last month), with an actual total of 20,175 for the period between June 13, 2008 and July 11, 2008. The increase in calls is primarily due to lease-up activity.

HUD-VASH Vouchers

We are working with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

To date, HACLA has hired 6 new staff responsible for the administration of the HUD-VASH vouchers and is waiting for the Veterans Administration to hire case managers to completely roll out the program. HACLA currently has 11 referrals from the Veterans Administration Hospital in the City of Los Angeles. Los Angeles County residents are eligible for the VASH voucher under the current portability rules.

Additionally, the following activities have taken place:

- 1) Lois Starr, Acting Director of Housing Development and Preservation (HD&P), met with the Veterans Affairs Director in July 2008;
- 2) HACoLA held a VASH vouchers strategy session on 7/10/08;
- 3) HACoLA staff has contacted both HACLA and the City of Long Beach Housing Authority to learn the status of their VASH voucher allocation; both agencies are operating their programs in the same manner;
- 4) HACoLA staff from the Assisted Housing Division (AHD) and the Special Needs Housing Unit (SNHU) attended HACLA's VASH stakeholder meeting on 7/15/08;
- 5) Lois Starr, Flora Gil Krisiloff, Homeless Deputy for the Third District, and I met with William Daniels, Director of the Brentwood Veterans Administration in May 2008;
- 6) HACoLA and the CDC will schedule a meeting with HACLA and the City of Long Beach Housing Authority in the near future to assure that veterans currently residing in L.A. County will have access to the vouchers and to establish protocols for communication between the agencies;

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July 17, 2008
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- 7) A regional Housing Authorities meeting with local HUD Director K.J. Brockington, is tentatively scheduled for late July; the issue of additional agencies accessing VASH vouchers will be discussed at this meeting.

Please contact me should you have any questions or need additional information.

c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

August 18, 2008

TO: Each Supervisor

FROM: William Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008 your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between July 15, 2008 and August 12, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections –

Our voucher allocation has increased to 20,876, an increase of 129 vouchers for HACoLA. As of July 31, 2008, our lease-up rate is 96.3%, representing a total of 20,106 assisted families throughout the County. We are maintaining a 2% delinquency rate for our inspections, and are at a 1% delinquency rate for our annual re-examinations.

HACoLA's data is pulled from HUD's data reporting system, the Public and Indian Housing Information Center (PIC), which is used to obtain SEMAP performance status.

Corrective Action Plan –

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations–

HUD staff will be at HACoLA the week of September 8, 2008 to conduct a confirmatory review of our responses to the initial audit. I will provide a status report when their formal response is submitted.

HUD OIG Financial Audit

The on-site audit is still in progress. I will report to your Board if and when any recommendations are made.

HUD's On-Site Confirmatory Review for FY 2007 –

The follow-up to the on-site confirmatory review for FY 2007 took place the week of July 28, 2008. The results of the review are pending and will be provided to your Board upon receipt.

As previously reported, we anticipate a reduction of SEMAP points for specific indicators, which may result in a Troubled status rating. However, we have completed FY 2008 and believe our SEMAP score has improved enough to achieve a Standard rating. The on-site confirmatory review for FY 2008 has not been scheduled.

YARDI Status-

The YARDI system has been in place since July 1, 2008; HAP payments have been released using the new system.

The independent review of YARDI is still in progress, but is expected to be completed by the end of September 2008.

Los Angeles Housing Resource Center (formerly Socialserve.com)-

For a 28-day period between July 17 and August 14, 2008, the Los Angeles Housing Resource Center averaged 5,614 total listings (a 5% increase over last month), 3,772 participating landlords (a 4% increase over last month), and 148,173 housing searches (a 15% increase over last month).

Call Center –

Our Call Center received an average of 4017 calls per week, with an actual total of 16,067 calls for the period between July 14, 2008 and August 11, 2008.

Although there was a slight decrease in the total number of calls versus July 2008, there was an increase in the average hold time. This was primarily due to an increased lease-up effort resulting in longer calls (i.e., constituents asking more in-depth questions).

HUD-VASH Vouchers –

We are continuing to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

The following activities update the previous report(s):

1. HD&P Special Needs Unit Staff spoke with HACLA staff about the possibility of collaborating with The County Department of Military Veterans Affairs (DMVA) as a way to increase the utilization of the VASH Vouchers in the County;
2. HD&P Special Needs Housing Unit staff has scheduled a meeting with HACLA and DMVA for Wednesday, September 3rd at 10 a.m. at the Community Development Commission;
3. HACLA will invite the VASH voucher representative from the Dept. of Veterans Affairs to the meeting to facilitate the following:
 - a. Introduction of the DMVA so that they can be a point of contact and referral source for this program;
 - b. Establishment of a method for HACLA to facilitate the referral process between the VA and HACLA.

Please contact me should you have any questions or need additional information.

C: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

February 17, 2009

TO: Each Supervisor

FROM:  Corde Carrillo, Acting Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM
PERIOD OF JANUARY 15, 2009 – FEBRUARY 13, 2009**

On March 13, 2007 your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to report monthly on the progress to remove the Section 8 program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). On June 17, 2008 your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers. Additional Program information has also been provided.

This report covers activities for the period between January 15, 2009 and February 13, 2009 on the following:

Section Eight Management Assessment Program (SEMAP)

SEMAP measures the performance of the public housing agencies (PHAs) that administer the housing choice voucher program in 14 key areas (indicators). HACoLA is reporting data on its most troubled SEMAP indicators in Fiscal Year 05-06.

Lease-up, Annual Reexaminations and Inspections –

Performance information is obtained from HUD's data reporting system, known as the Public and Indian Housing Information Center (PIC). The PIC system bases delinquencies on a 14-month cycle. HACoLA maintains an internal tracking system based on a 12-month cycle to anticipate program outcomes.

As of January 31, 2009:

Indicator 13 - Lease-Up: The 97% lease-up rate reflects 20,227 vouchers leased, out of the 20,876 voucher allocation.

Indicator 12 - Annual Inspections: The 4% delinquency rate reflects 831 inspections out of 18,656 annual reinspections.

Indicator 9 - Annual Reexaminations: The 10% delinquency reflects 1,901 out of 18,791 annual reexaminations. Three factors have contributed to the delinquency in reexaminations. 1) Conversion, staff training, and implementation of the Yardi Software

System in June 2008 delayed reexaminations for two months. 2) The increased lease-up effort in the summer of 2007 resulted in a significant increase in reexaminations in the summer of 2008. 3) In October 2008, staff converted from an operational system to a case management approach to establish greater accountability, efficiency, effectiveness in the long term.

The Division needs to complete 10,346 reexaminations for Fiscal Year 2008-09 by June 30, 2009. Staff is averaging 2,000 reexaminations per month, however, additional support is necessary to start processing 5,373 reexaminations effective in July, August, and September 2009. HACoLA is procuring a housing consultant on a limited basis to complete the reexaminations due by June 30, 2009. We will be requesting Board approval to contract with the most responsive housing consultant in March 2009. The Division is tracking weekly progress to be current by June 30, 2009 and to prevent future delinquencies.

Indicator 14 – Family Self Sufficiency (FSS) Status –

HUD requested that HACoLA inform the Board monthly on the FSS Program in reference to the CAP for FY 06-07. The FSS Program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Participating families contribute to a matched savings account that can be used toward higher education or homeownership. HACoLA works with welfare agencies, schools, businesses, One Stop Employment Centers and other local partners in assisting FSS family members gain the skills and experience needed to obtain employment that pays a living wage.

FSS program services include referrals to agencies that provide child care, transportation, education, job training and employment counseling, substance/alcohol abuse treatment or counseling, and household skills training.

FSS reporting data is also obtained from PIC (see above). Our mandatory HUD assigned slots (updated once annually) are for 782 families. As of January 31, 2009, the 54% enrollment rate reflects enrollment of 426 families, with 28% of the families (118) maintaining an escrow balance. HACoLA must maintain a 60% enrollment rate, of which 30% must have escrow balances. Staff is currently conducting direct outreach from new contracts to recruit new program participants who have direct income to increase our FSS enrollment.

HACoLA's internal assigned slots are for 764 families; the difference is due to 18 families who have graduated from the program. Our internal reporting rate reflects a 62% enrollment rate (474 families), with 139 families (29.3%) having escrow balances.
Each Supervisor

This discrepancy is due to families porting out of LA County to Housing Authorities that do not administer an FSS program. HACoLA continues to manage their contracts, but they are not recognized under PIC.

HUD OIG Audits

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations – FYE 2005- 2006

In January, 2008, in recommendation 1M of the 2008-LA-1007 Audit report, the OIG recommended that HACoLA repay \$3,662,972 from administrative savings for fiscal years 2005 and 2006 for not adequately administering the Program, due to delinquent annual reexaminations. On October 23, 2008, after further review, HUD agreed to reduce the amount to \$1 million with a target date of November 30, 2008. HUD also suggested that HACoLA submit a request if it would like to negotiate a repayment agreement.

In a November 19, 2008 letter, HACoLA requested reconsideration of the \$1 M repayment due to the negative fiscal impact on the Program operations and the cooperation that HACoLA had demonstrated in resolving audit deficiencies. On December 8, 2008, HUD's response indicated that the \$1M repayment gave consideration to the seriousness of the violations and the fiscal impact on HACoLA. In January 22, 2009, I met with the HUD Los Angeles Area Officials to discuss this matter further. HUD officials reemphasized HACoLA's obligation to repay the \$1M, taking into consideration a proposed repayment plan. On February 9, 2009, I sent a letter to HUD requesting to repay the \$1M over a ten (10) year period. I will inform you of HUD's response upon receipt.

During the week of February 16, 2009, HUD staff is on site conducting a review of re-examinations completed for FY 2005 and 2006 with the goal of closing recommendation 1D that required HACoLA to complete 4,700 delinquent re-exams. You will be notified of the results.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial audit of Fiscal Years 2005 and 2006 began the week of January 5, 2009. The exit conference was conducted on January 28, 2009. The OIG audit included a complete financial assessment of our agency. One finding was identified regarding how administrative costs are allocated to the CDC Divisions. The current methodology was developed by KPMG LLP (a national provider of audit, tax, and advisory services) and subsequently modified to meet HACoLA's needs. OIG's preliminary report recommends that Section 8 Program be reimbursed approximately \$3 M from non-restricted funds because allegedly funds were not reasonably and equitably

allocated in Fiscal Years 2005 and 2006. No funds will need to be reimbursed to HUD. A final OIG report is pending by the end of February, 2009. Staff is reviewing options and the current allocation methodology with KPMG to prepare a response in March 2009.

Corrective Action Plan (CAP) for FYE 2006 –

In response to the HUD OIG Audit for FY 05-06, all CAP items for FYE 2006 have been closed, with the exception of one member of the Housing Commission Advisory Board's completion of the Housing Choice Voucher Program training. The Housing Commissioner is currently completing the training on-line and should be finished by February 28, 2009.

Corrective Action Plan (CAP) for FYE 2007 –

HUD's on-site confirmatory review resulted in a reduction of points for specific SEMAP indicators and a Troubled rating for Fiscal Year ending June 30, 2007. HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty four (34) PHA strategies. The second monthly progress report of the CAP was sent on February 13, 2009, with subsequent submittals due the 15th of every month. Twelve (12) strategies have been addressed and it is expected that all items for the CAP will be closed by June 2009.

Confirmatory Review Results for FYE 2008 -

On February 10, 2009, I informed you that HUD and the Office of Recovery and Prevention had completed an on-site confirmatory review for FYE 2008 from January 26 through January 29, 2009. HACoLA received a SEMAP score of 113 out of 145 possible points, earning a "Standard Performer" rating. HUD will provide our score in writing within 30 days of January 29, 2009. This was a major milestone in transitioning the Program out of troubled status. Upon execution of the \$1M repayment agreement, completion of the implementation of the CAP for FY 2006-07, and HUD approval of the Agency Plan, the Section 8 Program will be removed from HUD's troubled status.

Other Activities

Los Angeles Housing Resource Center (formerly Socialserve.com)-

For a 28-day period between January 14 and February 11, 2009, the Los Angeles Housing Resource Center averaged 7,781 total listings (a 10% increase over last month); there were 4,943 participating landlords (a 9% increase), and 134,517 housing searches conducted (a 22.5% increase).

Each Supervisor
February 17, 2009
Page 5, 2009

Call Center –

Our call center averaged a weekly total of 2,113 calls, with an overall total for the period between January 15 and February 12, 2009 of 8,451 calls. The average hold time was 1 minute, 40 seconds.

HUD-VASH Vouchers –

While we continue to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively, our status remains unchanged from last month's progress report.

New Manager for Contract Maintenance -

Dorian Jenkins, has been hired as the new Manager for the Contract Maintenance Unit effective February 23, 2009, responsible for case management and reexaminations of the existing housing choice vouchers. Mr. Jenkins was the Assistant Director at the Housing Authority of the City of Los Angeles (HACLA). He brings 13 years of housing experience in both the Section 8 and Public Housing Programs.

Please contact me if you have any questions or need additional information.

CC:MB:ML:dt


c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

March 17, 2009

To: Each Supervisor



From:  Cordé D. Carrillo, Acting Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM
PERIOD OF FEBRUARY 14, 2009 – MARCH 17, 2009**

On March 13, 2007 your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to report monthly on the progress to remove the Section 8 Program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). SEMAP uses fourteen (14) indicators to measure the performance of the public housing agencies (PHAs) that administer the housing choice voucher program. HUD also requested that HACoLA inform the Board monthly on the FSS Program in reference to the Corrective Action Plan (CAP) for FY 06-07.

Furthermore, your Board also directed HACoLA to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers on June 17, 2008.

HACoLA is reporting data on its most troubled SEMAP indicators in Fiscal Year 2005 - 06, as of February 28, 2009:

Indicator 9 - There are 1,469 delinquent annual reexaminations out of 18,782 reexaminations.

Indicator 12 - The delinquency rate reflects 725 annual inspections out of a total of 18,655 inspections.

Indicator 13 - The 97% lease-up rate reflects 20,256 leased out of 20,876 vouchers.

Three factors have contributed to the delinquency in reexaminations: 1) Conversion, staff training, and implementation of the Yardi Software System in June 2008 delayed reexaminations for two months; 2) The increased lease-up effort in the summer of 2007 resulted in a significant increase in reexaminations in the summer of 2008; 3) In October 2008, staff converted from a functional system to a case management approach to establish greater accountability, efficiency, and effectiveness over the long term.

The Division needs to complete 8,187 reexaminations during this Fiscal Year 2008-09 by June 30, 2009. Staff completed 1,797 during February; however, additional support is necessary to start processing 5,386 annual reexaminations effective in July, August, and September 2009. HACoLA is in the process of procuring a housing consultant on a limited basis to complete approximately 7000 reexaminations by July 2009. We will be requesting Board approval on March 31, 2009 to award a contract to McKay

Each Supervisor
March 17, 2009
Page Two

Management Services, LLC, effective on April 6, 2009, in the amount of \$751,840 to be funded by Section 8 Administrative Reserves. The Division is tracking weekly progress to prevent future delinquencies.

Indicator 14 – Family Self Sufficiency (FSS) helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Our mandatory HUD assigned slots (updated once annually) is for 782 families. As of February 28, 2009, the 55% enrollment rate reflects enrollment of 432 families, with 28% of the families (123) maintaining an escrow balance. HACoLA must maintain a 60% enrollment rate, of which 30% must have escrow balances. Staff is currently conducting direct outreach from new contracts to recruit program participants who have direct income to increase our FSS enrollment.

HACoLA's internal assigned slots are for 757 families; the difference is due to 25 families who have graduated from the program. Our internal reporting rate reflects a 61.8% enrollment rate (468 families), with 140 families (29.9%) having escrow balances. The discrepancy in enrollment rates and escrow balances is due to families porting out of LA County to Housing Authorities that do not administer an FSS program. HACoLA continues to manage their contracts, but they are not recognized under HUD's Public and Indian Housing Information Center (PIC) tracking system.

HUD OIG Audits

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations – FYE 2005- 2006

In January 2008, recommendation 1M of the OIG 2008-LA-1007 Audit report stipulates that HACoLA repay \$3,662,972 from administrative fees for fiscal years 2005 and 2006 for not adequately administering the Program, due to delinquent annual reexaminations. In a letter dated October 23, 2008, HUD agreed to reduce the amount to \$1 million with a target date of November 30, 2008. HUD also suggested that HACoLA submit a request if it wanted, to negotiate a repayment agreement.

In a November 19, 2008 letter, HACoLA requested reconsideration of the \$1 million repayment due to the negative fiscal impact on program operations and the cooperation that HACoLA had demonstrated in resolving audit deficiencies. On December 8, 2008, HUD's response indicated that the reduction to the \$1 million considered the fiscal impact on HACoLA in light of the seriousness of the violations.

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March 17, 2009
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On January 22, 2009, we met with HUD Los Angeles Area Officials to discuss this matter further. HUD officials reemphasized HACoLA's obligation to repay the \$1 million. On February 9, 2009, we sent a letter to HUD requesting to repay the \$1 million over a ten (10) year period. HUD approved the repayment agreement, but indicated that the maximum allowable term for repayment was three years. The first payment of \$83,333 would be due April 30, 2009, with subsequent payments of the same amount due every quarter thereafter, with a final payment due January 31, 2012.

On February 26, 2009, HACoLA pursued this matter further, requesting an extension of the repayment agreement from three to five years. HUD denied the request, as communicated to HACoLA in a letter dated March 10, 2009, stating that HACoLA had sufficient funds to repay without impacting the Program. As such, we will be requesting your approval of the three-year repayment agreement and an enabling resolution at your April 7, 2009 Board meeting, with the first payment due effective April 30, 2009 through January 31, 2012. Execution of the repayment agreement and resolution will bring the Section 8 Program one-step closer to removal from "Troubled" status.

HUD On-Site Review of Quarterly Reexaminations for Fiscal Years 2005 and 2006

During the week of February 16, 2009, HUD staff was on site conducting a review of re-examinations completed for Fiscal Years 2005 and 2006, with the goal of closing recommendation 1D that required HACoLA to complete 4,700 delinquent re-exams. HUD indicated during the exit interview that the reexaminations had been satisfactorily completed, however their official response is still pending.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial audit of Fiscal Years 2005 and 2006 began the week of January 5, 2009. The exit conference was conducted on January 28, 2009. The OIG audit included a complete financial assessment of our agency. One finding was identified regarding how administrative costs are allocated to the CDC Divisions. The current methodology was developed by KPMG LLP (a national provider of audit, tax, and advisory services) and subsequently modified to meet HACoLA's needs. OIG's preliminary report recommends that the Section 8 Program be reimbursed approximately \$3 million from non-restricted funds for funds allegedly not reasonably and equitably allocated in Fiscal Years 2005 and 2006. On March 16, 2009, HUD OIG informed HACoLA that a draft audit report would be forthcoming within two weeks and an exit conference would be scheduled. Staff is reviewing options and the current allocation methodology with KPMG to prepare a response. It should be noted that if \$3 million is ultimately determined to be reimbursable to the Section 8 Program, the source of the repayment will be CDC general funds.

Each Supervisor

March 17, 2009

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Corrective Action Plan (CAP) for FYE 2006 –

In response to the HUD OIG Audit for FY 05-06, all CAP items for FYE 2006 have been closed, with the exception that one member of the Housing Commission Advisory Board's complete the Housing Choice Voucher Program training. The Housing Commissioner was expected to complete the training on-line by February 28, 2009; however, he has indicated that he will complete the training in a week.

Corrective Action Plan (CAP) for FYE 2007 –

HUD's on-site confirmatory review resulted in a reduction of points for specific SEMAP indicators and a Troubled rating for Fiscal Year ending June 30, 2007. HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. The third monthly progress report of the CAP was sent on March 13, 2009 indicating that 18 strategies have been addressed. We expect to close all items in the CAP by June 2009.

Confirmatory Review Results for FYE 2008 -

On February 10, 2009, I informed your Board that HUD and the Office of Recovery and Prevention had completed an on-site confirmatory review for FYE 2008 from January 26 through January 29, 2009. HACoLA received a SEMAP score of 113 out of 145 possible points, earning a "Standard Performer" rating. HUD was expected to provide our score in writing within 30 days of January 29, 2009; it is still pending. This was a major milestone in transitioning the Section 8 Program out of troubled status. Upon execution of the \$1 million repayment agreement, completion of the implementation of the CAP for FY 2006-07, and HUD approval of the Agency Plan, the Section 8 Program will be removed from HUD's troubled status list.

HACoLA Call Center –

We averaged 2,206 calls per week, and 8,825 total calls for the period of February 13 through March 13, 2009. The average wait time was 2 minutes, 4 seconds.

Los Angeles Housing Resource Center (socialserve.com) on our Website

For a 28-day period between February 11 and March 11, 2009, the Los Angeles Housing Resource Center averaged 8168 total listings; there were 5,144 landlords that have provided their property listings, and 129,430 housing searches conducted.

Each Supervisor
March 17, 2009
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HUD-VASH Vouchers –

We continue to work with the Housing Authorities of the City of Long Beach and City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively. As of March 5, 2009, the Los Angeles County Department of Military and Veterans Affairs (DMVA) referred 10 clients to the Veterans Administration (VA) for VASH assistance. Of the 10, only 2 were eligible for the program.

Please contact me if you have any questions or need additional information.

CC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

April 21, 2009

To: Each Supervisor

From: Cordé D. Carrillo, Acting Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM
PERIOD OF MARCH 18, 2009 – APRIL 17, 2009**

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

Troubled Status

As a result of HACoLA's achievement of a "Standard" performer rating for Fiscal Year 2007-2008 and your Board's approval of the \$1 million repayment agreement with HUD, one item remains outstanding to remove the Section 8 Program from its troubled status. HACoLA has submitted the remaining strategies in the CAP for FYE 2007 and is awaiting HUD approval to close out this matter.

Reexaminations

HACoLA is reporting data on reexaminations, its most troubled SEMAP indicator, identified in Fiscal Year 2005 – 06 from two systems: 1) HUD's data reporting system, known as the Public and Indian Housing Information Center (PIC) which monitors delinquencies based on a 14-month cycle; and, 2) HACoLA's internal Yardi software system which monitors delinquencies based on a 12-month cycle.

As of March 31, 2009, PIC reflects 1,358 delinquent reexaminations out of 18,589 contracts in the system (7%). Yardi reflects 2,383 delinquent reexaminations out of 13,884 reexaminations (17%). In addition to a 14-month versus a 12-month comparison, the PIC system reflects the total number vouchers under contract, whereas, Yardi reflects the number of reexaminations due at this point in time.

As of April 9, 2009, Yardi indicates that the Division needs to complete 6,603 reexaminations out of 19,315 by June 30, 2009 for April, May and June 2009. The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

As instructed by your Board on April 7, 2009, HACoLA will initially provide a monthly status report to eliminate the annual reexamination backlog under separate cover to allow us to develop a comprehensive reporting format. This report will provide the number of reexaminations completed by HACoLA staff and McKay Management Services separately to evaluate individual accomplishments. This report will then be incorporated into the May monthly progress report.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD had reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment will be issued by April 30, 2009. This Board action was necessary to remove the Section 8 program from "Troubled" status.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, of Fiscal Years 2005 and 2006. An exit conference was conducted on January 28, 2009. The OIG audit included a complete financial assessment of our agency. One finding was identified regarding cost allocations to the CDC Divisions. The current methodology was developed by KPMG LLP (a national provider of audit, tax, and advisory services) and subsequently modified to meet the agency's needs. OIG recommended that the Section 8 Program be reimbursed approximately \$3 million from non-restricted funds for allegedly not reasonably and equitably allocating funds in Fiscal Years 2005 and 2006. On March 24, 2009, OIG issued a draft audit report and held an exit conference on April 1, 2009. HACoLA submitted a response to the draft report on April 8, 2009. An OIG final report is pending.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed, with the exception that one member of the Housing Commission Advisory Board has yet to complete the Housing Choice Voucher Program training. The Housing Commissioner was expected to complete the training on-line but his completion is still pending.

Each Supervisor
April 21, 2009
Page Three

Corrective Action Plan (CAP) for FYE 2007

HUD's on-site confirmatory review resulted in a reduction of points for specific SEMAP indicators and a troubled rating for Fiscal Year ending June 30, 2007. HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HUD approval of the remaining strategies will remove the Section 8 program from its "Troubled" status rating for FYE 2007.

Confirmatory Review Results for FYE 2008

HACoLA received a SEMAP score of 113 out of 145 possible points, earning a "Standard Performer" rating. HUD confirmed our score in a letter dated March 26, 2009. This was a major milestone in transitioning the Section 8 Program out of troubled status for FYE 2008.

FSS Program Status

The 2006-2007 Corrective Action Plan executed between your Board and HUD, instructed HACoLA to submit a monthly performance report on the FSS Program. The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency.

Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 754 families because 28 out of 782 of the original number have graduated from the program. We are not required to replace the 28 families. Our internal reporting rate reflects 462 families enrolled out of 754 (61.3% rate), with 153 families (33.1%) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH and other Section 8 Program Activities

HACoLA works with the Housing Authorities of the City of Long Beach and City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively. On April 14, 2009, a motion was introduced by Los Angeles County Supervisors Yaroslavsky and Antonovich requesting that a letter signed by all five Supervisors be sent to HUD requesting a direct allocation of VASH vouchers to HACoLA due to the increasing need for permanent housing for Veterans.

Each Supervisor
April 21, 2009
Page Four

The call center averaged 3,048 calls per week and 12,190 total calls for the period of March 10 through April 13, 2009. The average wait time was 1 minute, 46 seconds.

For a 28-day period between March 15 and April 12, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 8,578 total listings; there were 5,346 landlords who provided property listings, and 129,812 housing searches were conducted.

Please contact me if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

May 15, 2009

To: Each Supervisor



From: Corde D. Carrillo, Acting Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HACoLA is awaiting approval of the remaining strategies to remove the Section 8 program from its "Troubled" status rating.

Reexaminations

As of May 12, 2009, the HACoLA internal tracking system (Yardi) reflects 3,640 delinquent reexaminations out of 15,464 reexaminations, based on reexaminations that were due within 12 months from that point in time. The 3,640 delinquencies consist of 2,246 reexaminations to be completed by HACoLA and 1,394 to be completed by McKay Management Services.

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

We would like to point out that there is a variance between the May 6, 2009 report sent to your Board last week and the attached May 12th Report. This is due to 54

recertifications which were credited to McKay Management Services (McKay), but actually completed by HACoLA in April 2009. McKay's contract became effective on April 7, 2009.

From April 1, through May 12, 2009, HACoLA staff completed 2391 annual reexaminations. McKay Management completed 348 annual reexaminations during its first month. HACoLA trained McKay staff on HACoLA computer systems, including Yardi, Laserfiche, Rentellect, LEADER, etc. McKay Management Services hired staff, set up a toll-free number to assist HACoLA clients 24 hours a day, mailed out 3,287 annual reexamination packets to clients for June and July 2009, and contacted families who failed to return their reexamination packets, and researched packets that were returned undeliverable.

As of April 30, 2009, the HUD Public Housing Information Center (PIC) reflects 1,239 delinquent reexaminations out of 18,467 active contracts in the system based on a 14 month cycle. The 18,467 reflects all active contracts in the system, regardless of whether a reexamination is due or not.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, the repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment for \$83,333.33 was issued by April 30, 2009.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on 4/24/09. The report recommended that the Director of HUD's Los Angeles Office of Public Housing (PIH) require HACoLA to repay the Section 8 program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009 recommending that HACoLA repay the Section 8 Program \$2,953,443 from nonfederal funds for over-allocations that were charged to the program. HACoLA's response is due May 29, 2009.

HACoLA will request Board approval to repay the Section 8 Program this amount.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed. A member of the Housing Commission Advisory Board who had not completed the Housing Choice Voucher Program training resigned. No further action is required.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 753 families because 29 of the original 782

families have graduated from the program. We are not required to replace the 29 families. Our internal reporting rate reflects 464 families enrolled out of 753 (61.6% rate), with 152 families (32.8% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has referred ten clients to the VASH Program in the City of Los Angeles and the City of Long Beach; two were accepted. HACoLA has provided DMVA with 25 Section 8 Homeless Set-Aside Program vouchers from HACoLA, in addition to the previous 50.

Section 8 Call Center

The call center averaged 2,175 calls per week and 8,700 total calls for the period of April 14 through May 12, 2009. The average wait time was 2 minute, 5 seconds.

For a 28-day period between April 13 and May 11, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,033 total listings; there were 5,562 landlords who provided property listings, and 135,545 housing searches were conducted.

Please contact me at (323) 890-7400 if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Attachment



	Calendar Month	Prior to April	Apr-09	May-09	Jun-09	Jul-09
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McKay Management									
Anniversary Month	Total Due	Pending		Completed					Totals
June	1,731	1,394	80.53%	N/A	109	228			337
July	1,527	1,516	99.28%	N/A	10	1			11
August	2,160	2,160	100.00%	N/A					
September									
Total	5,418	5,070	93.58%	N/A	119	229	0	0	348

Anniversary Month	Total Due	Pending	Completed	Totals
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				
TOTAL				

September-08	1,464	94	6.42%	1,327	34	9			1,370
October-08	1,538	124	8.06%	1,336	47	31			1,414
November-08	1,489	153	10.28%	1,260	55	21			1,336
December-08	1,465	128	8.74%	1,304	24	9			1,337
January	1,346	164	12.18%	1,091	58	33			1,182
February	1,403	236	16.82%	1,031	103	33			1,167
March	1,307	223	17.06%	835	202	47			1,084
April	1,581	328	20.75%	709	421	123			1,253
May	2,140	796	37.20%	203	841	300			1,344
Total	13,733	2,246	16.35%	9,096	1,785	606	0	0	11,487

Total Since April	2,391
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September 2009	Recertification packets have not been mailed to participants. Packets are scheduled to be mailed May 15, 2009
Anniversary Month	The month in which the recertification is due or 12 months from the previous recertification.
Total Due	The number or goal to be met for each month as of the date of this report; numbers may change due to terminations and participants moving from one unit to another, voiding the need for the recertification.
Pending	The number of recertifications in process (pending receipt or review of documents) as of the date of this report.
Completed	The number of recertifications that have been completed as of the date of this report.
Total Since April	The number of recertifications completed by HACoLA staff since the effective date of the McKay contract.

Housing Authority - County of Los Angeles

June 17, 2009

To: Each Supervisor

From: Sean Rogan, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations, which is included herein.

Corrective Action Plan (CAP) for FYE 2008

HACoLA was rated a standard performer for this period, but is required to submit corrective action items to improve the accuracy and timeliness of annual reexaminations. A response is due to HUD by June 26, 2009.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. In a letter dated May 15, 2009, HUD indicated that 10 strategies remain open. HACoLA submitted a response on June 15, 2009, addressing all 10 items. Once all the strategies are approved, the Section 8 Program will be removed from its "Troubled" status rating for FYE 2007.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed.

Reexaminations

As of June 12, 2009, the HACoLA internal tracking system (Yardi) reflects 1,353 delinquent reexaminations out of 15,307 based on reexaminations that were due within 12 months from that point in time. The 1,353 delinquencies consist of 653 reexaminations to be completed by HACoLA, and 700 to be completed by McKay Management Services (see attached report).

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

As of May 31, 2009, the HUD Public Housing Information Center (PIC) reflects 1,104 delinquent reexaminations out of 18,613 active contracts in the system based on a 14-month cycle. The 18,613 reflects all active contracts in the system, regardless of whether a reexamination is due or not. On July 5, 2009, HACoLA will provide the Board recommendations on the annual reexamination process to prevent future backlogs.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution, payments beginning on April 30, 2009 and ending on January 31, 2012. The second quarterly payment of \$83,333.33 is due July 31, 2009.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on April 24, 2009. The report recommended that the Director of HUD's Los Angeles Office of Public Housing require HACoLA to repay the Section 8 Program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009, recommending that HACoLA repay the Section 8 program \$2,953,443 from nonfederal funds for over allocations that were charged to the Program.

On June 16, 2009, your Board approved the resolution to repay the entire amount. Repayment by June 30, 2009 will close this finding.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 747 families because 35 of the original 782 families have graduated from the program. We are not required to replace the 35 families. Our internal reporting rate reflects 460 families enrolled out of 747 (61.6% rate), with 148 families (32.2% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has not made any referrals to the VASH Program. HACoLA has provided the DMVA with 25 Section 8 Homeless Set-Aside Program vouchers, in addition to the previous 50.

On June 12, 2009, HUD invited HACoLA to apply for 280 VASH vouchers. HACoLA responded by submitting an application on June 14, 2009.

Section 8 Call Center

The call center averaged 2,289 calls per week and 9,154 total calls for the period of May 12 through June 9, 2009. The average wait time was 2 minutes, 14 seconds.

Los Angeles Housing Resource Center

For a 28-day period between May 11 and June 8, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,420 total listings; there were 5,748 landlords who provided property listings, and 129,865 housing searches were conducted.

Please contact me if you have any questions or need additional information.

SR:MB:ML:dt

Attachment

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



6/12/2009 ANNUAL REEXAMINATIONS

07/12/2009 ANNUAL RECONCILIATIONS									
	Calendar Month			Prior to April	Apr-09	May-09	Jun-09	Jul-09	
McKay Management									
Anniversary Month	Total Due	Pending		Completed					Totals
June	1,676	700	41.77%	N/A	109	483	384		976
July	1,512	1,052	69.58%	N/A	10	366	84		460
August	2,150	2,029	94.37%	N/A		27	94		121
September	1,551	1,551	100.00%	N/A					0
Total	6,889	5,332	77.40%	N/A	119	876	562	0	1,557

HACOLA

Anniversary Month	Total Due	Pending		Completed					Totals
September-08	1,464	42	2.87%	1,358	33	20	11		1,422
October-08	1,538	36	2.34%	1,354	46	58	44		1,502
November-08	1,461	74	5.07%	1,231	55	53	48		1,387
December-08	1,436	54	3.76%	1,275	24	50	33		1,382
January	1,330	64	4.81%	1,075	58	79	54		1,266
February	1,389	76	5.47%	1,016	103	94	100		1,313
March	1,299	73	5.62%	824	202	124	76		1,226
April	1,577	82	5.20%	703	421	286	85		1,495
May	2,137	152	7.11%	192	841	700	252		1,985
Total	13,631	653	4.79%	9,028	1,783	1,464	703	0	12,978

Total Since April

3,950

Notes and Descriptions

Anniversary Month	The month in which the recertification is due or 12 months from the previous reexamination.
Total Due	The number or goal to be met for each month as of the date of this report; numbers may change due to terminations and participants moving from one unit to another, voiding the need for the reexamination.
Pending	The number of reexaminations in process (pending receipt or review of documents) as of the date of this report.
Completed	The number of reexaminations that have been completed as of the date of this report.
Total Since April	The number of reexaminations completed by HACoLA staff since the effective date of the McKay contract.

Housing Authority - County of Los Angeles

July 17, 2009

To: Each Supervisor

From: Sean Rogan, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations, included herein.

Corrective Action Plan (CAP) for FYE 2008

HACoLA was rated a standard performer for this period, but was required to submit corrective actions items to improve the accuracy and timeliness of annual reexaminations. A Corrective Action Plan was submitted to HUD on June 23, 2009. We expect a response within the next week.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. In a letter dated May 15, 2009, HUD indicated that 10 strategies remained open. We expect to receive a response on these 10 strategies within the next week.

Once all the strategies are approved, the Section 8 Program will be removed from "Troubled" status rating for FYE 2007.

Reexaminations

On July 7, 2009, HACoLA submitted to the Board recommendations on the annual reexamination process to ensure that future backlogs are not created. I will be requesting Board approval for a supplemental budget to support these recommendations in September 2009.

As of June 30, 2009, the Housing Authority completed 99.76% of the annual reexaminations for fiscal year 2008-2009. The pending reexaminations were comprised of 164 participants in the process of being terminated and 34 senior and/or disabled participants. Staff is making one final attempt to assist these 34 participants with

Each Supervisor

July 17, 2009

Page 2 of 3

completing the reexamination by conducting home visits. As of July 14, 2009, 141 were pending and 107 of these will be terminated.

As of June 30, 2009, the HUD Public Housing Information Center (PIC) reflects 699 delinquent reexaminations out of 18,321 active contracts in the system based on a 14-month cycle. The 18,321 reflect all active contracts in the system, regardless of whether a reexamination is due or not.

For fiscal year 2009-2010, McKay Management Services (MMS) will be completing 1,476 reexaminations for the month of July 2009. As of July 14, 2009, 697 were completed for July, and 510 for the months of August and September. HACoLA staff is preparing 1,680 reexaminations to be completed for the month of October 2009 (see attached report).

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. One quarterly payment has been made in the amount of \$83,333.33, and another payment will be made by July 30, 2009.

A Board letter and revised resolution will be filed for the Board of Commissioners Agenda on August 4, 2009, requesting approval of a lump sum payment of the remaining balance of \$833,333.34 by August 31, 2009. This action will close out Recommendation 1M of the above stated audit and will have no impact on the County general fund.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on April 24, 2009. The report recommended that the Director of HUD's Los Angeles Office of Public Housing (PIH) require HACoLA to repay the Section 8 Program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009, recommending that HACoLA repay the Section 8 program \$2,953,443 from nonfederal funds for over allocations that were charged to the Program.

On June 16, 2009, your Board approved the resolution to repay the entire amount. The transfer of \$2,953,443 from the Community Development Commission General Fund to the Section 8 Administrative Reserves fund was completed on June 24, 2009. HUD was advised of said transfer in a letter dated June 25, 2009. HACoLA is awaiting HUD's response to close this item.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead

Each Supervisor

July 17, 2009

Page 3 of 3

to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 730 families because 52 of the original 782 families have graduated from the program. We are not required to replace the 52 families. Our internal reporting rate reflects 446 families enrolled out of 730 (61.1% rate), with 137 families (30.7%) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

On June 12, 2009, HUD invited HACoLA to apply for 280 VASH vouchers. HACoLA responded by submitting an application for those vouchers on June 15, 2009. HACoLA received an official award notification on July 2, 2009.

On July 1, 2009, the CDC and HACOLA staff met with Bill Daniels and staff from the Veterans Administration, VASH division, along with Flora Gil Krisiloff, Third District Senior Field Deputy, to discuss the administration of the vouchers for participating cities and unincorporated areas of Los Angeles County.

This was an opportunity to discuss potential referral and administrative procedures for HACOLA; an additional meeting has been scheduled for July 28, 2009, to discuss these issues further.

Section 8 Call Center

The call center averaged 2,393 calls per week and 9,572 total calls for the period of June 10 through July 10, 2009. The average wait time was 2 minutes, 12 seconds.

Los Angeles Housing Resource Center

For a 28-day period between June 9 and July 14, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,939 total listings; there were 5,981 landlords who provided property listings, and 119,905 housing searches were conducted.

Please contact me if you have any questions or need additional information.

SR:MB:ML:dt

Attachment

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



7/14/2009 Housing Choice Voucher Program (Section 8) Annual Recertifications

		Calendar Month	Prior to April	Apr-09	May-09	Jun-09	Jul-09		
McKay Management									
Anniversary Month	Total Due	Pending		Completed					Total Completed
June 09	1,636	91	5.56%	N/A	109	483	911	42	1,545
July 09	1,476	779	52.78%	N/A	10	366	132	189	697
August 09	2,097	1,584	75.54%	N/A		27	273	213	513
September 09	1,521	1,519	99.87%	N/A			1	1	2
Total	6,730	3,973	59.03%	N/A	119	876	1,317	445	2,757

HACOLA

Anniversary Month	Total Due	Pending		Completed					Total Completed
September 08	1,317	2	0.15%	1,249	33	20	13		1,315
October 08	1,366	1	0.07%	1,196	47	58	62	2	1,365
November 08	1,300	7	0.54%	1,176	55	53	6	3	1,293
December 08	1,273	3	0.24%	1,131	24	50	53	12	1,270
January 09	1,196	3	0.25%	952	58	79	97	7	1,193
February 09	1,259	6	0.48%	902	103	94	152	2	1,253
March 09	1,192	9	0.76%	735	202	124	116	6	1,183
April 09	1,459	10	0.69%	606	421	286	124	12	1,449
May 09	2,008	9	0.45%	96	841	700	350	12	1,999
Total	12,370	50	0.40%	8,043	1,784	1,464	973	56	12,320

Grand Total	19,100	4,023		8,043	1,903	2,340	2,290	501	15,077
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Anniversary Month	The month in which the recertification is due or 12 months from the previous recertification.
Total Due	Total recertifications due as of the date of this report; numbers may change due to terminations and participants moving from one unit to another voiding the need for the recertification.
Pending	The number of recertifications pending completion.
Completed	The number of recertification that have been completed as of the date of this report.
October 09	1,680 recertifications to be completed by HACoLA staff, which are currently in review.